

NEWS RELEASE

OFFICE OF THE UNITED STATES ATTORNEY
SOUTHERN DISTRICT OF ILLINOIS

RONALD J. TENPAS
UNITED STATES ATTORNEY

Nine Executive Drive, Fairview Heights, Illinois 62208, Telephone (618) 628-3700

For Immediate Release

DECEMBER 6, 2004

Ronald J. Tenpas, United States Attorney for the Southern District of Illinois, announced today that on December 6, 2004, **PHILIP H. COHN**, age 42, of St. Louis, Missouri, pled guilty in Federal Court in East St. Louis to one count of Mail Fraud, in violation of Title 18, United States Code, Sections 1341 and 2, and one count of Money Laundering, in violation of Title 18, United States Code, Sections 1957 and 2. These criminal offenses took place between November, 2000 and April 21, 2004 in St. Clair County, Illinois, and elsewhere, and involve **PHILIP H. COHN's** criminal conduct relative to the East St. Louis School District 189 Clark Middle School real estate project, and the escrow account established for the related environmental clean up. **PHILIP H. COHN** also pled guilty to one count of Environmental Clean Air Act violations, in violation of Title 42, United States Code, Section 7413(c)(1) and Title 18, United States Code, Section 2, which involves **PHILIP H. COHN's** conduct relative to the redevelopment of the historic Spivey Building in East St. Louis, Illinois.

According to facts stipulated to by **Cohn** and the Government at the time of his guilty pleas, **Cohn** submitted false and sham invoices to School District 189 purportedly for environmental clean up work at the Clark Middle School site. **Cohn** then caused the endorsements of environmental companies to be forged on checks issued from the escrow account, and used the moneys for personal expenses. **Cohn** obtained approximately \$350,000 from the escrow account through his criminal conduct. As part of his plea agreement, **Cohn** has agreed to make full restitution to School District 189. As to the environmental clean air act charge, **Cohn** failed to remove substantial quantities of known asbestos containing materials from the historic Spivey Building, the tallest building in East St. Louis, before sending work crews into the Spivey Building to conduct demolition and renovation work.

Further, on December 6, 2004, **KATRINA J. FREDE-COHN**, age 26, of St. Louis, Missouri, pled guilty in Federal Court in East St. Louis to one count of Bank Fraud, in violation of Title 18, United States Code, Sections 1344 and 2, which violation took place during February, 2002 in St. Clair County, and elsewhere, and which involves her criminal conduct relative to the submission of false loan documents, and a false W-2 tax form, in order to obtain an automobile loan from GCS Credit Union in Granite City, Illinois.

Mail Fraud carries a statutory maximum penalty of 30 years and/or a fine of \$250,000. Money Laundering carries a statutory maximum penalty of 10 years and/or a fine of \$250,000. Bank Fraud carries a statutory maximum penalty of 30 years and/or a fine of \$1,000,000. An Environmental Clean Air Act violation carries a statutory maximum penalty of 2 years and/or a fine of \$250,000.

PHILIP H. COHN'S sentencing is scheduled for March 25, 2005. **KATRINA J. FREDE-COHN'S** sentencing is scheduled for March 11, 2005.

The successful prosecution was the result of an investigation conducted by United States EPA-CID, United States Postal Inspection Service, IRS-CI, HUD-OIG, FBI, Illinois EPA, the Illinois Attorney General's Office, and Illinois State Police. The prosecution is being handled by Assistant United States Attorney Hal Goldsmith.